

NLWJC - KAGAN

EMAILS CREATED

ARMS - BOX 012 - FOLDER 008

[7/10/1997 - 8/7/1997]

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Elena Kagan to Angelique Pirozzi. Subject: Re: Invitation. (1 page)	07/16/1997	Personal Misfile
002. email	Elena Kagan to Mona G. Mohib. Subject: Re: Party Invite. (1 page)	07/22/1997	Personal Misfile
003. email	Elena Kagan to Laura Emmett. Subject: real parties don't happen at 3:00pm. (2 pages)	07/31/1997	Personal Misfile
004. email	Elena Kagan to Todd Stern. Subject: twofer. (1 page)	08/02/1997	P6/b(6)
005. email	Elena Kagan to Minyon Moore and Cheryl D. Mills. Subject: dpc slot [partial] (1 page)	08/03/1997	P6/b(6)
006. email	Elena Kagan to Robert W. Schroeder. Subject: Re: Your car. (1 page)	08/07/1997	Personal Misfile

COLLECTION:

Clinton Presidential Records
Automated Records Management System [Email]
WHO ([From Elena Kagan])
OA/Box Number: 500000

FOLDER TITLE:

[07/10/1997 - 08/07/1997]

2009-1006-F

wr10

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:10-JUL-1997 14:09:49.00

SUBJECT: materials for V.P. tax event

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

please print

----- Forwarded by Elena Kagan/OPD/EOP on 07/10/97 02:09 PM -----

Russell W. Horwitz

07/10/97 12:15:01 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: materials for V.P. tax event

Attached is a packet of background materials on the child tax credit. Includes fact sheet, examples of working families who fare better under the President's plan and summary of state-by-state analysis.

Message Sent

To:

Lori L. Anderson/WHO/EOP
Barry B. Anderson/OMB/EOP
Brenda M. Anders/WHO/EOP
Kenneth S. Apfel/OMB/EOP
Eli G. Attie/WHO/EOP
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Peter G. Jacoby/WHO/EOP
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Thomas A. Kalil/OPD/EOP
Jonathan A. Kaplan/OPD/EOP
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Jill M. Pizzuto/OMB/EOP
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Lisa J. Levin/WHO/EOP
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Virginia M. Terzano/OVP @ OVP
Lorraine A. Voles/OVP @ OVP
Roger V. Salazar/OVP @ OVP
Julia M. Payne/OVP @ OVP
Anne H. Lewis/OPD/EOP
Daniel C. Tate/WHO/EOP
Mickey Ibarra/WHO/EOP
Virginia N. Rustique/WHO/EOP
Elizabeth R. Newman/WHO/EOP
Emil E. Parker/OPD/EOP
Leanne A. Shimabukuro/OPD/EOP
Robert M. Shireman/OPD/EOP
Robin J. Bachman/WHO/EOP
Barbara Chow/WHO/EOP
Ananias Blocker III/WHO/EOP
Jonathan H. Schnur/OVP @ OVP
Christopher R. Ulrich/OVP @ OVP

===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D22]MAIL444815090.116 to ASCII,
The following is a HEX DUMP:

FF575043611C0000010A0201000000020500000015C50000000200002BF4E4F45794B600BBA80D
30443422FCF895B0A5DA688953C7531C48EB5EA639435A31ABB3CCA973C566C173118EDE50949C
15628826A597448A8E7F15288511B672DC07AFA738BBCCAA1084FC3FD9C01EBD81B2E6ADA0F83B

PRESIDENT CLINTON'S CHILD TAX CREDIT

Working families
who pay taxes and play by the rules
deserve a tax cut too

July 10, 1997

TABLE OF CONTENTS

- I. Fact Sheet of President Clinton's Child Tax Credit
- II. Examples of Working Families Who Receive Tax Cut Under President Clinton's Plan but are Shortchanged by Congressional Plans
- III. State-by-State Analysis of Working Families Shortchanged by Congressional Tax Cut Plans
- IV. Table Showing Child Tax Credits for Families With Incomes Between \$18,000 and \$30,000 -- Comparison of Alternative Plans.

President Clinton's Child Tax Credit

A Fact Sheet

July 10, 1997

The President's child tax credit includes the following features:

Age:

- Covers children under 17 through 2002.
- After 2002, covers children under 19.

Amount per-child:

- \$400 in 1998
- \$500 in 1999 and then indexed for inflation.

Income Limits:

- Phased out for families with incomes between \$60,000 and \$75,000 until 2000.
- After 2000, the phase-out range is raised to between \$80,000 and \$100,000 and then indexed for inflation.

Refundability to Cover Out-of-Pocket Income and Payroll Taxes:

- Working families who pay out of pocket federal taxes would benefit from the child tax credit. The child tax credit is calculated before the EITC and will be partially refundable. A family will get a child credit for their income taxes plus the extent to which their out-of-pocket (employee share) payroll taxes exceed their EITC.

Savings Incentive Feature:

- Taxpayers who are entitled to a child credit would have the opportunity to contribute their child tax credit plus an additional \$500 per-child each year to a Kidsave Account for the child's education, first time home purchase, or the taxpayer's retirement. Earnings would accumulate tax-free in the account and no taxes would be due upon withdrawal for these purposes.

Cost:

- \$70.2 billion over 1997-2002.
- \$176.1 billion over 1997-2007.
- \$22.0 billion in 2007.

Working Families Who Pay Taxes and Play by the Rules Deserve a Tax Cut Too

Compared to the President's proposal, the Senate bill denies the child credit to 3.8 million families who make less than \$30,000. The House bill denies the child tax credit to 4.8 million of these families. The President strongly believes families who work hard, pay taxes, and play by the rules deserve a tax cut too.

Examples of working families who receive a tax cut under President Clinton's plan but are shortchanged by Congressional plans:

Example #1: A Family Like Police Officer Daniel Mercado's

Consider a family like Police Officer Daniel Mercado's of Savannah, Georgia. A family like his with two parents, four children, and an income of \$26,000 would receive a \$1,238 child tax credit under President Clinton's proposal, but would not receive a child tax credit under the House or Senate bills.

Federal Tax Situation Before Any Child Tax Credit/1:

Income taxes owed before EITC	\$285
Payroll taxes (just employee share)	\$1,989
Excise taxes/2	\$400
<hr/>	
Federal out-of-pocket taxes owed before EITC	\$2,674
Employer share of payroll taxes	\$1,989
Federal taxes before EITC	\$4,663
<hr/>	
Benefit from EITC	\$1,036

	President Clinton's Proposal	House Bill	Senate Bill
Child Tax Credit for family with two parents and four kids and income of \$26,000	\$1,238	\$0	\$0

Notes:

- 1: Source: U.S. Department of Treasury. Assumes 1999 tax parameters.
- 2: Estimate calculated from Congressional Budget Office Data. CBO estimates that in 1998, families with incomes between \$20,000 and \$30,000 would pay 1.54 percent of their income in federal excise taxes.

Example #2: A Family Like Michelle Orticke's

Consider a family like Michelle Orticke's, a receptionist from Springfield, Virginia. A family like hers with a mother and two children and an income of \$24,000 would receive a \$1,000 child tax credit under President's Clinton's proposal. A family like this one would receive a smaller \$651 child tax credit under the Senate bill and would receive no child tax credit under the House bill.

Federal Tax Situation Before Any Child Tax Credit/1:

Income taxes owed before EITC	\$1,380
Payroll taxes (just employee share)	\$1,836
Excise taxes/2	\$370
<hr/>	
Federal out-of-pocket taxes owed before EITC	\$3,586
Employer share of payroll taxes	\$1,836
<hr/>	
Federal taxes before EITC	\$5,422
Benefit from EITC	\$1,457

	President Clinton's Proposal	House Bill	Senate Bill
Child Tax Credit for family with one parent and two kids and income of \$24,000	\$1,000	\$0	\$651

Notes:

- 1: Source: U.S. Department of Treasury. Assumes 1999 tax parameters.
- 2: Estimate calculated from Congressional Budget Office Data. CBO estimates that in 1998, families with incomes between \$20,000 and \$30,000 would pay 1.54 percent of their income in federal excise taxes.

State-by-State Analysis of Working Families Shortchanged by Congressional Tax Cut Plans

PRESIDENT CLINTON STRONGLY BELIEVES FAMILIES WHO WORK HARD, PAY TAXES, AND PLAY BY THE RULES DESERVE A TAX CUT TOO:

- Compared to President Clinton's tax cut proposal, the House bill denies the child tax credit to 4.8 million working families who make less than \$30,000.
- Compared to President Clinton's tax cut proposal, the Senate bill denies the child tax credit to 3.8 million working families who make less than \$30,000.

<i>State</i>	<i>Compared to President's Plan Number of Working Families Who Make Below \$30,000 Denied the Child Credit under the <u>Senate</u> Plan</i>	<i>Compared to Presidents Plan Number of Working Families Who Make Below \$30,00 Denied the Child Credit under the <u>House</u> Plan</i>
Alabama	82,659	104,411
Alaska	6,323	7,987
Arizona	68,517	86,548
Arkansas	49,268	62,233
California	447,915	565,788
Colorado	50,160	63,360
Connecticut	27,150	34,294
Delaware	10,038	12,679
Florida	222,038	280,469
Georgia	130,635	165,013
Hawaii	13,203	16,678
Idaho	19,334	24,421
Illinois	155,667	196,632
Indiana	78,566	99,241
Iowa	36,093	45,591
Kansas	35,135	44,381
Kentucky	57,021	72,026
Louisiana	80,628	101,846
Maine	16,949	21,409
Maryland	71,351	90,128
Massachusetts	54,677	69,066
Michigan	104,371	131,837
Minnesota	50,043	63,213
Mississippi	61,474	77,651
Missouri	78,557	99,230
Montana	13,400	16,926
Nebraska	23,648	29,872
Nevada	26,709	33,737
New Hampshire	12,794	16,161

<i>State</i>	<i>Compared to President's Plan Number of Working Families Who Make Below \$30,000 Denied the Child Credit under the <u>Senate</u> Plan</i>	<i>Compared to Presidents Plan Number of Working Families Who Make Below \$30,00 Denied the Child Credit under the <u>House</u> Plan</i>
New Jersey	96,681	122,124
New Mexico	31,716	40,063
New York	237,157	299,567
North Carolina	134,793	170,265
North Dakota	8,756	11,060
Ohio	135,211	170,792
Oklahoma	54,046	68,269
Oregon	41,077	51,886
Pennsylvania	141,976	179,338
Rhode Island	10,915	13,787
South Carolina	71,580	90,417
South Dakota	11,719	14,804
Tennessee	94,790	119,735
Texas	354,927	448,328
Utah	27,212	34,373
Vermont	7,887	9,963
Virginia	86,986	109,877
Washington	61,630	77,848
West Virginia	25,255	31,901
Wisconsin	56,208	71,000
Wyoming	6,623	8,366
District of Columbia	11,147	14,081
United States	3.8 million	4.8 million

Methodology of State-by-State Analysis

Using the Treasury individual income tax model, an estimate was generated for the aggregate numbers of taxpayers in 1998 with Adjusted Gross Income below \$30,000 who receive the child tax credit under President Clinton's proposal but not under the House and Senate bills. These aggregates were distributed across states in proportion to the fraction of EITC recipients nationwide in 1995 with incomes between \$15,000 and \$30,000 who reside in the particular state. EITC recipients with incomes between \$15,000 and \$30,000 form the group primarily affected by the differences in the child tax credit proposals.

Child Tax Credits for Families With Incomes Between \$18,000 and \$30,000

Families of Four: Two Parents and Two Children

Family Income	President's Proposal	House Bill	Senate Bill
\$18,000	\$0	\$0	\$0
\$20,000	\$225	\$0	\$0
\$22,000	\$330	\$0	\$0
\$24,000	\$1,000	\$0	\$96
\$26,000	\$1,000	\$89	\$607
\$28,000	\$1,000	\$810	\$1,000
\$30,000	\$1,000	\$1,000	\$1,000

Source: U.S. Department of Treasury. Figures for 1999.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:11-JUL-1997 22:06:02.00

SUBJECT: Re:

TO: Lynn G. Cutler (CN=Lynn G. Cutler/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

I've asked elizabeth drye to send you something, but we don't have much.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:12-JUL-1997 16:40:12.00

SUBJECT: Re: Meeting with Rep. Waters' staff on grandparents

TO: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP [OPD])

READ:UNKNOWN

CC: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Jennifer L. Klein (CN=Jennifer L. Klein/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

yes, let's do this.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:13-JUL-1997 11:28:38.00

SUBJECT: Re: Waters

TO: Sylvia M. Mathews (CN=Sylvia M. Mathews/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

It's going to be on either Tuesday or Thursday. We have some hopes that it will be a productive meeting. As you know, both we and HHS have indicated to Waters that we have serious policy concerns with her welfare/grandmothers amendment. In response, her staff has asked whether we are interested in discussing other approaches or initiatives for supporting this group. We have responded very positively: it would be great if we could do something else for her in this area, rather than just reject her proposal.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:13-JUL-1997 19:09:53.00

SUBJECT: a good quote

TO: James T. Edmonds (CN=James T. Edmonds/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Michael Waldman (CN=Michael Waldman/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

from Thurgood Marshall: "Unless our children begin to learn together,
there is little hope that our people will ever learn to live together."

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:14-JUL-1997 20:57:00.00

SUBJECT: Re: Mtg tomorrow at 2:00

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

yes

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:15-JUL-1997 18:29:08.00

SUBJECT: Follow-up mtg.

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 07/15/97 06:31
PM -----

VIRGINIA N. RUSTIQUE

07/15/97 04:33:47 PM

Record Type: Record

To: Emily Bromberg/WHO/EOP, Fred Duval/WHO/EOP, Cynthia A. Rice/OPD/EOP,
Elena Kagan/OPD/EOP

cc: Lisa J. Levin/WHO/EOP

Subject: Follow-up mtg.

Janet would like to meet tomorrow, Wed., 7/16, @ 11am in her office. Pls.
confirm your attendance.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:15-JUL-1997 19:29:39.00

SUBJECT: Re: Crack Cocaine

TO: Ann F. Walker (CN=Ann F. Walker/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

we're working.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:15-JUL-1997 08:48:09.00

SUBJECT: one last thing

TO: James T. Edmonds (CN=James T. Edmonds/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Michael Waldman (CN=Michael Waldman/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

CC: Michael Cohen (CN=Michael Cohen/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:

Could we also mention (in the part of the speech that lists the things we need to make standards work) ways to hold schools accountable -- e.g. by taking over failing schools and/or transforming them into charters. We probably should mention here that Rosa Parks is trying to start a charter school in Detroit.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:15-JUL-1997 07:37:19.00

SUBJECT: speech

TO: James T. Edmonds (CN=James T. Edmonds/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Michael Waldman (CN=Michael Waldman/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

CC: Michael Cohen (CN=Michael Cohen/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:

I'm sure you're already on your fifth draft by now, but I managed to read the first one last night. It's quite good. Here are some comments, in no particular order:

1. Why Dubois? I don't know the history very well, but I believe he broke with the NAACP in the 20s or 30s because he believed it had become too integrationist. (He thought that the hatred of segregation signified a hatred of self on the part of the black community.) Mentioning Dubois sends a weird signal to a press that will be looking for signals on integration.
2. On welfare: in addition to the transportation program and the WTW Partnership, we should mention our \$3 billion welfare-to-work program in the budget. That's even more important than the other two things.
3. In the transition to education, I would take explicit note of the NAACP's proud history of fighting for educational opportunity and equality. That's why it makes so much sense to talk about education to this group.
4. I thought the education section wandered a bit. I think I would organize it like this:
 - A. Brief remarks on integration (by the way, I'd say "in our houses, in our workplaces, and ESPECIALLY in our schools.")
 - B. The need to improve predominantly poor, minority inner city and rural schools now (i.e., we can't wait for integration, we can't use the goal of integration as an excuse not to do anything about this mess)
 1. The need for standards and tests to counter the tyranny of low expectations
 2. The equally important need to give students the tools to meet this standards (another way to say this is to insist that teachers, administrators, school districts, etc. also be held to standards)
 - a. What we've done
 - b. New teaching initiative
5. On the teachers initiative, we need to show better what a big problem this is -- how teachers in these schools are less well trained, less

experienced, etc. Mike Smith told me that there are some quite "impressive" statistics. Mike--could you get hold of those and give them to Terry? Also, I wouldn't treat the teacher prep part of the program as so much of an afterthought. What we are doing here is to strengthen teacher training programs that operate in partnership with -- and place large numbers of graduates in -- urban or poor rural schools. This is not just a matter of training future teachers well; it's also a matter of improving the quality of teaching in those schools now through partnerships between the schools and the teacher training institutions.

I think that's it for now.

http://172.28.127.30:8082/ARMS/servlet/getEmailArchive?URL PATH=/nlcp-1/Arms405/who/... 4/20/2009

July 15, 1997

MEMORANDUM FOR THE PRESIDENT

THROUGH: ERSKINE BOWLES
 SYLVIA MATHEWS
 JUDITH WINSTON

FROM: BRUCE REED
 ELENA KAGAN

SUBJECT: RACE INITIATIVE POLICY PROCESS

This memorandum sets out the process we will use to develop policy announcements and proposals for the Race Initiative. Our goals are: (1) to help provide a status report on race relations and racial disparities to inform policy development; (2) to assess and communicate the impact of this Administration's prior initiatives -- involving economic growth, education, crime, and so forth -- on race relations and the status of racial minorities; and (3) to build on this Administration's accomplishments and agenda with new initiatives to announce in the coming year and longer-term policies to incorporate in the final Presidential Report. We have a strong base from which to work, and we will attempt to ensure that the policy measures accompanying the Race Initiative will grow out of everything this Administration has done already. Throughout, we will focus on solutions that reflect the common values of the American people (e.g., equal opportunity and shared responsibility), and respond to their common aspirations (e.g., safe streets, good schools, and affordable housing).

Research and Investigation

In close cooperation with the DPC, NEC, Judy Winston, and Chris Edley, CEA will coordinate research on the current state of race relations and the continuing disparities in critical measures of well-being among individuals of different races. CEA already has developed a draft outline for this research, based on conversations with DPC and Chris Edley. The outline, which is attached to this memo, suggests research on, among other things: (1) disparities in economic success, educational opportunity, health care, political participation, family organization, and criminal victimization; (2) racial segregation in schools, neighborhoods, and workplaces; and (3) the prevalence and consequences of racial discrimination. In addition, research will be done on the differential effects of particular kinds of public policy on racial groups. CEA will do some aspects of this research itself and will assign other aspects to the appropriate offices in Treasury, DOL, Education, HHS, and DOJ. This work will go into the final President's Report and will influence and inform the development of policy discussed below.

Interagency Policy Development Process

The DPC has established four major workgroups to develop policy for the Race Initiative. Bruce Reed, Elena Kagan, and Jose Cerda will coordinate the efforts of these groups. We anticipate developing both administrative actions and legislative proposals, and combining incremental (but important) policy advances with a few truly bold ideas. We will advance some of the policy proposals during the year-long initiative, while saving others for the President's Report at the end. (The right timeframe for policy proposals is not only the FY 1999 budget cycle, but the remaining years of this century and the start of the next.) The workgroups also will have responsibility for assessing the impact of prior Administration initiatives in their policy areas, so that we can build on our own accomplishments.

In coordinating policy development through these workgroups, we of course will work closely with Judy Winston and Chris Edley, and we will incorporate, as appropriate, advice provided to you by the Chair and Members of the Advisory Board. We also will solicit the views of outsiders -- such people as William Julius Wilson, Randall Kennedy, Henry Cisneros, and Doris Kearns come to mind -- to challenge and enhance our own thinking.

1. **Economic and Community Empowerment** (co-chaired by Bruce Reed and Gene Sperling). This group will look at issues and policies relating to (1) job opportunities for unemployed and underemployed minorities, including welfare-to-work efforts and transportation initiatives to move inner city residents to suburban jobs; (2) housing for low-income residents of inner cities, including new or expanded uses of voucher plans and tax incentives to promote mixed-income, multi-racial communities; (3) metropolitan regional strategies to strengthen links between inner cities and suburbs; and (4) minority entrepreneurship, including credit programs building on CRA and CDFI.

Participating White House offices are: DPC, NEC, OVP/CEB, OPL, Intergovernmental, Legislative, CEA, CEQ, OMB.

Participating agencies are: Treasury, Labor, Commerce, Transportation, HUD, SBA, and Interior (for Native American population).

2. **Education** (chaired by Mike Cohen). This group will look at issues and policies relating to (1) failing inner city and rural schools, including issues of racial segregation and enhanced efforts to raise standards, improve teaching, provide improved infrastructure and new technology, promote charter schools, and encourage school takeovers and other accountability mechanisms; (2) education of Hispanic students, including bilingualism; and (3) expanded access to higher education and skills training. (Note that responses to Proposition 209 and Hopwood fall within the Administration of Justice Workgroup.)

Participating White House offices are: DPC, NEC, OVP, OPL, Intergovernmental, Legislative, OMB.

Participating agencies are: Education, Interior.

3. **Administration of Justice** (chaired by Elena Kagan). This group will look at issues and policies relating to (1) criminal law enforcement and prevention, including the underprotection of minority communities (including Indian reservations), police force composition and practices (including diversity issues and community policing), and after-school and other youth programs; and (2) enforcement of civil rights laws, including responses to Proposition 209 and Hopwood, reduction of the EEOC complaint backlog and other EEOC reforms, enhanced efforts on housing and lending discrimination, affirmative action issues generally, and hate crimes initiatives (for November conference).

Participating White House offices are: DPC, OVP, Counsel, OPL, Intergovernmental, Legislative, OMB, ONDCP.

Participating agencies are: Justice, Treasury, Education, DOL, HHS, HUD, USDA, Interior, EEOC.

4. **Health and Family** (chaired by Chris Jennings). This group will look at issues and policies relating to (1) special health care needs of minority populations, including the high incidence of certain health conditions and diseases and the underutilization of certain health care services, such as immunizations and mammograms; and (2) family composition, including efforts to strengthen two-parent families, ensure adoption of minority children, and provide supports to families led by grandparents.

Participating White House offices are: DPC, OVP, OPL, Intergovernmental, Legislative, OMB.

Participating agencies are: HHS, Interior.

This Week's Policy Announcement

As you know, you will be attending the NAACP convention in Chicago on Thursday. We believe this speech offers an excellent opportunity to discuss the intersection of race and education issues. First, your speech can address the value of integration in educational settings. Thurgood Marshall once wrote that "unless our children begin to learn together, there is little hope that our people will ever learn to live together"; your speech can make exactly this link between educational integration and race relations generally to members of the organization most closely identified with progress in this area. This message would echo the strong argument you made for diversity in education in your San Diego speech; it also would lead naturally into your commemoration of the integration of Little Rock Central High School in September. Minyon Moore and others are reaching out to Kweisi Mfume and others to ensure that we address this issue in a way that avoids exacerbating internal NAACP divisions on the subject.

Second and no less important, you can stress the need to improve right now predominantly poor and minority schools in inner city and rural areas. This part of your speech can protest the neglect (financial and otherwise) of predominantly minority schools and the

consignment of their students to a second-class education. Here, you should make a strong statement about the importance of national standards and tests to boost expectations and improve the quality of education. But you should make an equally strong statement about providing students with the tools and opportunities to help them meet those standards -- better teaching, improved infrastructure and new technologies, and mechanisms to take over failing schools, including by turning them into charters (Rosa Parks is now trying to establish a charter school in Detroit).

As a down payment on a broader effort to improve inner city and rural schools, you can announce a new proposal to improve teaching in these institutions. The quality of teaching in inner city and rural schools is much lower than in the rest of the nation; in particular, the teachers in these schools are far less well trained than in others. To address this situation, Title V of the Department of Education's proposed reauthorization of the Higher Education Act, which will be submitted to Congress later this summer, proposes a new initiative to recruit, prepare, and retain teachers in urban and poor rural communities. This program would provide at least \$325 million over five years (we are still working out the exact funding with OMB) for two purposes: (1) to strengthen teacher training programs that operate in partnership with -- and place large numbers of graduates in -- urban or poor rural schools; and (2) to provide scholarships to talented and diverse individuals, chosen jointly by institutions of higher education and eligible school districts, who will commit to teach in urban and poor rural areas for at least three years after graduation.

[illegible]

July 13, 1997

MEMORANDUM FOR THE PRESIDENT

THROUGH: ERSKINE BOWLES
 SYLVIA MATHEWS
 JUDITH WINSTON

FROM: BRUCE REED
 ELENA KAGAN

SUBJECT: RACE INITIATIVE POLICY PROCESS

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Participating agencies are: HHS, Interior.

First Policy Announcement

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:15-JUL-1997 15:10:51.00

SUBJECT: Re:

TO: Michelle Crisci (CN=Michelle Crisci/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

not rude at all. no problem.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:16-JUL-1997 12:51:58.00

SUBJECT: uniformed division secret service

TO: Jose Cerda III (CN=Jose Cerda III/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: John Podesta (CN=John Podesta/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Rahm I. Emanuel (CN=Rahm I. Emanuel/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Sylvia M. Mathews (CN=Sylvia M. Mathews/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

The FOP refused to attend our meeting with Reno and Rubin today on Brady because of our failure to make a decision on the secret service question. we've let this go on too long; we need to give an answer, regardless what it is. Laura will schedule a meeting so we can discuss next steps.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Elena Kagan to Angelique Pirozzi. Subject: Re: Invitation. (1 page)	07/16/1997	Personal Misfile

COLLECTION:

Clinton Presidential Records
Automated Records Management System [Email]
WHO ([From Elena Kagan])
OA/Box Number: 500000

FOLDER TITLE:

[07/10/1997 - 08/07/1997]

2009-1006-F

wr10

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:16-JUL-1997 13:39:00.00

SUBJECT: Re: uniformed division secret service

TO: Sylvia M. Mathews (CN=Sylvia M. Mathews/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

you bet.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:16-JUL-1997 08:53:11.00

SUBJECT:

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 07/16/97 08:53 AM -----

Jose Cerda III
07/16/97 12:21:40 AM
Record Type: Record

To: Elena Kagan/OPD/EOP
cc: Bruce N. Reed/OPD/EOP, Leanne A. Shimabukuro/OPD/EOP
Subject:

EK:

A long, drawn out Q and A on crack for the black journalist event. Sorry so late. Let me know what you think. I think it's pretty definate that this will come up.

Also, we should probably run it by Peter before we finalize. Don't you think. In the end, he and Tracey will probably have to call some members no matter what we say.

jose iii

===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D38]MAIL46442369Q.116 to ASCII,
The following is a HEX DUMP:

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**Questions/Answers for National Association of Black Journalists Meeting
July 16, 1997**

Q: Mr. President, your Administration has supported a sentencing policy that punishes blacks users of crack cocaine a hundred times more harshly than white users of powder cocaine. How can you defend this policy, and how can you say that your Administration is promoting racial reconciliation and dialogue when you support a policies like this, which seem blatantly unfair and discriminatory to most African Americans?

A: I understand the concern that many African Americans have when they are told that black users of crack are punished much more severely than white users of powder cocaine. The current disparity in our sentencing laws for cocaine -- or the so-called 100 to 1 ratio -- is unfair and should be adjusted. But the issue is not as simple and straightforward as equalizing penalties, and I would like to explain why.

Since the mid 1980s, crack cocaine -- and the armed gangs that deal in it -- have fueled an unprecedented level of violence in our cities and among our youth. And while this violence now seems to have stabilized, it remains at intolerable levels -- and crack cocaine defendants continue to be associated with much more violence than powder cocaine and other drug users. In principle then, I continue to believe that crack cocaine should be punished more severely than powder cocaine -- and that is why I rejected the Sentencing Commission's proposal last year to equalize penalties for crack and powder cocaine.

In practice, however, my Administration has realized that the current 100 to 1 ratio, which triggers 5-year mandatory drug penalties for crack users at 5 grams and for powder users at 500 grams, is flawed. Generally speaking, federal law enforcement resources should target serious drug traffickers -- or at least mid-level dealers that can provide information to help prosecute these more serious traffickers. Both the 5 and 500 gram triggers in current law seem to miss this mark: the crack trigger is too low, and the powder trigger is too high.

To some extent, however, we already compensate for this flaw in two ways: First, federal prosecutors generally use their discretion to target the more serious offenders. Thus, the typical crack defendant convicted in the federal system is not a kid, not a first-time offender and likely to have carried a gun and trafficked in at least 80 grams of crack -- or, frankly, a serious criminal. Second, the "safety valve" provision that I signed into law as part of the 1994 Crime Bill exempts certain first-time, non-violent crack

offenders from the 5-year mandatory drug penalty. As a result, hundreds of drug offenders -- including the small percentage of lower level crack dealers that make their way into the federal system -- will be eligible to have their sentences reduced an average of 25%.

In the final analysis, however, our own flexible policies in enforcing the law do not change the fact that the extreme disparity between crack and powder penalties is unjustified and should be reduced. That's why I intend to support a reduction in the 100 to 1 ratio, and to work with Members of Congress to make such a change to current law. The Sentencing Commission recently recommended a range of sensible options for doing this. I believe they suggested that penalties for powder and crack cocaine should be "pinched" -- that is to say, that the trigger for powder should be dropped from 500 grams to somewhere between 125 and 375 grams, and that the trigger for crack should be increased from 5 grams to somewhere between 25 and 75 grams. And I will ask the Attorney General and Drug Director to work with Members of Congress to adopt make an adjustment within these ranges.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:18-JUL-1997 12:16:18.00

SUBJECT: YCGII

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

please print

----- Forwarded by Elena Kagan/OPD/EOP on 07/18/97 12:16 PM -----

Jose Cerda III

07/18/97 12:26:21 AM

Record Type: Record

To: Elena Kagan/OPD/EOP, Christa Robinson/OPD/EOP, Leanne A. Shimabukuro/OPD/EOP, Bruce N. Reed/OPD/EOP

cc:

Subject: YCGII

Crime Stoppers:

Attached please find a 2-pager on the YCGII, some Q/A and a list of the 10 new cities for your review. I guess we need to get this to the press office before the radio address tomorrow -- 7:40pm. PLEASE NOTE: One of the cities -- Las Vegas -- dropped out a short while ago, so we'll need to find a replacement first thing in the a.m. Also, Houston still needs to be confirmed as a go.

Regards,
Sleepy

===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D43]MAIL47425489L.116 to ASCII,
The following is a HEX DUMP:

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EXPANSION OF THE YOUTH CRIME GUN INTERDICTION INITIATIVE JULY 19, 1997

BACKGROUND:

- On July 8, 1996, President Clinton directed the Attorney General and Secretary Rubin to implement a pilot program in 17 cities to trace as many guns as possible, especially those trafficked to kids.
- Under this pilot program, the Youth Crime Gun Interdiction Initiative (YCGII), Federal and local law enforcement in each city worked together to submit all crime guns seized for tracing and use this information to identify and locate illegal gun traffickers.
- Since then, the Treasury Department's Bureau of Alcohol, Tobacco and Firearms (ATF) has provided local police departments and ATF special agents with specialized training, computers and software -- and traced as many guns as possible through the National Training Center. Today's report details the findings of this effort.

FINDINGS OF TODAY'S REPORT:

- **Confirms kids and guns is a serious problem in all 17 cities.** Juvenile and youth crime guns account for nearly half (45%) of the firearms recovered from crime scenes and criminals.
- **Reveals that kids use some of the most concealable and dangerous guns.** While 80% of youth and juvenile crime guns are handguns -- and 60% are semiautomatic pistols, only 70% of adult crime guns are handguns -- and less than half, or 47%, are semiautomatics.
- **Crime guns used by kids are concentrated among a relatively small number of makes and models.** The 10 most popular types of crime guns account for 25% of all crime guns. In some cities, this percentage is as high as 50% for youth or juveniles (e.g., Birmingham, Memphis).
- **At least 25% of the crime guns used by kids move rapidly (3 years or less) from first retail sale to crime scenes.** That means that a significant portion of legally purchased guns are quickly and illegally diverted to kids and criminals.
- **The number of trace requests nearly doubled in the 17 pilot cities.** While not all traces submitted could be completed, for a variety of reasons, overall requests submitted to ATF jumped from about 20,000 to 37,000.

HOW TRACING WORKS

- **The Shikes Case.** Shortly after the YCGII was launched, ATF and the Milwaukee Police Department received a tip that an individual named "Larry" was selling guns to gang members. This individual was Larry Shikes, and he was selling guns from the trunk of his car in the parking lot of the grocery store where he worked as a security guard.

A review of trace information on Milwaukee crime guns revealed that Shikes had originally purchased several guns that were recovered in connection with youth gang crimes -- including homicides, assaults and drive-by-shootings. Shikes illegal activity was further documented by undercover purchases of additional shotguns and handguns.

Shikes was arrested in April 1997. He pled guilty to dealing in firearms without a license and providing firearms to convicted felons. He is scheduled to be sentenced next month.

LESSONS LEARNED:

- **A new anti-crime tool.** By submitting all crime guns for tracing, the YCGII is showing law enforcement at all levels how young people are getting guns. This is critical information that will allow law enforcement to prioritize the investigation of gun traffickers.
- **Guns are being trafficked to kids.** ATF traces and investigations clearly show that certain corrupt gun dealers are selling guns to large volume traffickers and straw purchasers, who are in turn funneling guns to our youth. With more tracing information and enforcement resources, we can crackdown on these traffickers and break-up the supply of guns to kids and criminals.
- **Brady checks important.** Background checks are needed to help keep guns from being illegally diverted. So it's critical that state and local law enforcement continue their commitment to Brady.

TODAY'S ANNOUNCEMENT:

- **More Cities, More Resources.** Today, the President will expand the YCGII to 10 more cities. The Treasury Department will commit \$11 million to augment its tracing efforts next year, and the Department of Justice will dedicate funds from the Bureau of Justice Assistance to help provide training to participating state and local law enforcement agencies. Additional funds will also be sought for ATF agents from unobligated funds.

**YOUTH CRIME GUN INTERDICTION INITIATIVE
QUESTIONS AND ANSWERS
JULY 19, 1997**

Q: What exactly has the Administration learned from this report -- and how will it be used to reduce juvenile gun crime?

First, we have learned that comprehensive, community-based tracing of crime guns is doable -- as well as a worthwhile endeavor. The voluntary commitment of each of these cities to submit as many crime guns as possible for tracing resulted in a near doubling in the overall number of trace requests -- from about 20,000 to 37,000. In New York, for example, trace requests jumped from 4,000 to 13,000; in San Antonio, trace requests increased from a mere 500 to about 2,000.

Second, we have learned that substantial number of guns -- nearly half of those recovered from crime scenes or criminals -- are being trafficked to our kids in a variety of ways and shortly after they were legally purchased. We have learned that kids are more likely than adults to commit a crime with a new handgun -- especially with certain types of semiautomatic pistol. And we have learned that most crime guns generally originate from in-state sources.

And thirdly, each of the communities involved -- and Federal law enforcement -- have learned more about the make-up and trafficking patterns of crime guns in their area. These community specific reports are a valuable enforcement tool that can be used to crackdown on local traffickers and break-up the supply of guns to our kids. This is how Boston has used its trace information, and -- as I understand it -- last week they celebrated their second anniversary of no juvenile gun homicides.

Q: Can you please clarify today's announcement?

A: Based on our experience with the first 17 cities, we are going to expand the Youth Crime Gun Interdiction Initiative (YCGII) to an additional 10 cities. There was considerable interest from other cities when we initiated the pilot program last year, so we are pleased to expand the YCGII today. A copy of these cities should be in your press packet.

To pay for this -- and to increase ATF's overall ability to do more traces and trace analysis -- Treasury will dedicate about \$11 million from its forfeiture fund next year. That's about 10 times what we've spent during this first year, so that's a significant enhancement.

Also, the Justice Department's Bureau of Justice Assistance has set aside some funds to help train participating state and local law enforcement agencies.

Q: How were both the new cities for this initiative picked?

A: As I understand it, most of the cities were selected based on the number of firearms and violent offenses committed by youths and juveniles. However, several of the cities were picked because, unlike the national crime trend, they have been experiencing increases in violent crime over the past few years.

Q: If tracing and trace analysis lead to cracking down on gun traffickers, how many have you prosecuted as a result of this effort?

A: Well, first let me make clear that we are only one-year into this initiative, and that establishing the tracing infrastructure (i.e., trained officers, computers, software, etc.) and producing the national and local reports was our initial goal.

Also, the YCGII is a special component of ATF's overall firearms trafficking strategy that has generated thousands of investigations over the past year -- involving tens of thousands of illegally trafficked firearms. And over time, we expect the YCGII to contribute many important cases to this workload.

Having said that, to date, ATF estimates that the YCGII has helped initiate some 75 pending trafficking investigations.

Q: How come ATF only traced an average of 37% of the guns submitted to the National Tracing Center?

A: There are several reasons why complete traces were not conducted for all crime guns. In some cases, because of different tracing guidelines and practices, not all of the required information was submitted. In other cases, firearms were either too old or serial numbers obliterated. While traces can be completed in these instances, they are much more resource intensive. Many of these issues can now be addressed.

It is important to note, however, that not all trace analyses depend on a successfully completing trace requests.

**THE YOUTH CRIME GUN INTERDICTION INITIATIVE
PHASE TWO CITIES
JULY 19, 1997**

Chicago, Illinois
Los Angeles, California
Detroit, Michigan
Philadelphia, Pennsylvania*
Houston, Texas
Miami, Florida
Tucson, Arizona*
Minneapolis, Minnesota*
Las Vegas, Nevada
Cincinnati, Ohio

Most cities were selected because of the high number of firearms and violent offenses committed by juveniles and youth. Those cities marked with an asterisk (*) were chosen because, unlike the national trend, they have experienced increases in violent crime.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:18-JUL-1997 12:12:36.00

SUBJECT: Weekly Report

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 07/18/97 12:12 PM -----

Sandra Thurman

07/17/97 07:18:20 PM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc:

Subject: Weekly Report

Needle Exchange - The House Labor/HHS Subcommittee of Appropriations marked up their bill on July 15 without a challenge to the Chairman's mark which preserves the waiver authority of the Secretary of HHS. HHS (Kevin Thurm) and the AIDS advocates have been assured by the staff directors for Reps. Porter and Obey that no unfriendly amendments are expected at full committee. This is great news so far, however we are anxiously watching, waiting, and keeping our fingers crossed.

We are in daily contact with a number of AIDS organizations on this issue and continue to assure them that we are prepared to fight to preserve the Secretary's authority should the need arise.

Decreases in the AIDS Death Rate - On Monday, July 14 the CDC released new figures showing a 19% decrease in the AIDS death rate in the first 9 months of 1996, compared with the same period in 1995. The CDC attributed these findings to greater access to medical care and the development of effective therapies for HIV and associated opportunistic infections. The AIDS advocates noted that as AIDS death rates decline, there are increasing numbers of individuals living with HIV who require access to these lifesaving interventions.

We are continuing to emphasize that, while we are delighted with the news of the drop in death rates, we must not forget that rates of infection are on the rise in women, people of color, and adolescents. The epidemic is not over.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:18-JUL-1997 12:14:59.00

SUBJECT: Re: weekly submission

TO: William R. Kincaid (CN=William R. Kincaid/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Michael Cohen (CN=Michael Cohen/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:

Bill -- while we're telling him about california, we should also let him
know what's going on in texas. thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:19-JUL-1997 17:42:46.00

SUBJECT: Re: Rvw of Connerly Letter

TO: Andrew J. Mayock (CN=Andrew J. Mayock/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Way too long, I think -- it tries too hard to convince and sounds defensive. After the basic thank you/share your letter stuff, there should be one paragraph on the President's views on affirmative action (both the mend and the don't end parts), and a short paragraph on California/Texas. Then sign off.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 21-JUL-1997 15:20:55.00

SUBJECT: Re: Terry Edmonds

TO: Laura K. Capps (CN=Laura K. Capps/OU=WHO/O=EOP @ EOP [WHO])

READ: UNKNOWN

TEXT:

not a problem at all. but you should warn him that there are lots of them
and that they involve a level of detail that (I hope) he will never have
to master!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:21-JUL-1997 19:41:05.00

SUBJECT: Re: Needle Exchange Q & A
This looks good to me.

I am concerned that our current Q & A on needle exchange is obsolete. The question the Pres

Q: What does the Administration plan to do about lifting the ban on federal funding of nee

A: We firmly believe that we must do everything possible to address the twin epidemics of
Let me know what you think.

TO: Sylvia M. Mathews (CN=Sylvia M. Mathews/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:
I changed it a bit, so you should be receiving a new version soon.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:21-JUL-1997 15:22:28.00

SUBJECT: Possible message events during POTUS vacation

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP [OPD])

READ:UNKNOWN

TEXT:

could you send this to the whole staff with a note that they should e-mail me any ideas? thanks

----- Forwarded by Elena Kagan/OPD/EOP on 07/21/97 03:24 PM -----

Eli G. Attie

07/21/97 11:22:39 AM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc:

Subject: Possible message events during POTUS vacation

Elena -- Ann asked me to try to get a sense of things that could be announced, released, etc. during the POTUS's vacation -- reports that Cabinet could release, things of that sort.

Is someone in your shop able to compile such a list or memo for me or Ann?

Many thanks,

Eli

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. email	Elena Kagan to Mona G. Mohib. Subject: Re: Party Invite. (1 page)	07/22/1997	Personal Misfile

COLLECTION:

Clinton Presidential Records
Automated Records Management System [Email]
WHO ([From Elena Kagan])
OA/Box Number: 500000

FOLDER TITLE:

[07/10/1997 - 08/07/1997]

2009-1006-F

wrl0

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:23-JUL-1997 10:11:18.00

SUBJECT: Re: Elena's trip to PA/IL

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

none.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:24-JUL-1997 18:45:01.00

SUBJECT: Re: Waters Mtg. Reminder

TO: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP [OPD])

READ:UNKNOWN

CC: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Unable to convert ARMS_EXT:[MESSAGE.D89]MAIL46497640S.216

The following is a HEX dump of the file:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUL-1997 11:43:53.00

SUBJECT: Re: FOP Meeting with Erskine

TO: Jason S. Goldberg (CN=Jason S. Goldberg/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Please do a short cover memo to put on top of the informational memo we gave the President a month or so ago. If I could see it by mid-afternoon, that would be great. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 28-JUL-1997 10:19:15.00

SUBJECT:

TO: Michael Waldman (CN=Michael Waldman/OU=WHO/O=EOP @ EOP [WHO])

READ: UNKNOWN

TEXT:

It's very beautiful. And I think you have the themes exactly right: a deep-rooted belief in the dignity of every individual (as much a part of his personality as of his jurisprudence) and a commitment to the Constitution as a living charter of freedom. Perhaps the only thing I'd add is an unshakable determination to protect the underdog -- the people whom no one else will protect, etc.

And a man who transformed America through his words should be recognized by his words. I'd pick out five great quotes, and put them in. I think that will be more effective than just talking about his rulings, as in paragraph 5.

Again, it's quite beautiful and very moving.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:28-JUL-1997 08:11:05.00

SUBJECT: some women

TO: Todd Stern (CN=Todd Stern/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

toni morrison (much better than maya angelou, I think)

mary mcgrory (my favorite of these three)

barbara tuchman

I'm really fond of my c vann woodward suggestion.

[illegible]

TALKING POINTS ON APPLICATION OF MINIMUM WAGE

- This Administration is committed to moving people from welfare to work. But this Administration is also committed to making sure that workers get paid at least the minimum wage for their efforts.
- That means all workers -- whether or not they come off the welfare rolls. No one doing real work should be paid a subminimum wage.
- You know as well as I that there are complicated legal questions here, involving who counts as a "worker" and who as a "trainee" under the minimum wage law.
- But you should know that we will apply the law consistent with its intent -- to protect American workers and to make sure that no employer can take advantage of people's need.

TALKING POINTS ON TEXAS PRIVATIZATION

- You know that we are considering Texas's proposal to privatize substantial parts of its Medicaid and food stamp operations.
- We have talked with AFSCME leaders often on this issue, and I know Administration officials will talk with you again this week,
- No final decisions have been made. But I can assure you that this Administration will do what is best for recipients of public assistance, and that this Administration will look out for the interests of the workers who devote their lives to helping those recipients. If the Texas scheme is inconsistent with those goals, then we will not permit the State to proceed.

QUESTION AND ANSWER ON WELFARE REFORM AND THE MINIMUM WAGE

Question: Is the Administration going to make clear that the Fair Labor Standards Act requires that at least the minimum wage be paid to welfare recipients participating in work activities?

Answer: This Administration is committed to moving people from welfare to work. It's also committed to making sure workers get at least the minimum wage for their efforts: we don't believe anyone doing real work ought to be paid a subminimum wage. But the Administration is still studying precisely how the FLSA and other worker protection laws play out in the welfare context. We expect to have a final answer on the minimum wage question within the next few weeks.

QUESTION AND ANSWER ON WELFARE REFORM AND PRIVATIZATION

Question: Is the Administration going to allow states to privatize welfare operations now performed by state employees?

Answer: As you know, the Administration is reviewing requests by certain states to privatize some or all of their welfare operations. The legal and factual questions involved in this decision are very complicated, and I understand that the agencies involved are not yet ready to make any decision.

Question and Answer on FLSA

Question: Why is the Administration undermining welfare reform by insisting that participants in workfare programs get the protections of the Fair Labor Standards Act (FLSA) and other employment laws?

Answer: I believe that worker protection laws, such as the FLSA, should apply to workfare participants in the same way they apply to other workers. If a workfare participant counts as an “employee” under these laws, then she should get protection. No one doing real work should be paid a subminimum wage.

And I believe that paying working welfare recipients the minimum wage and giving them other worker protections will promote, not undermine, the goals of welfare reform, because it will give them the ability to support their families and break the cycle of dependency.

We will work with states to ensure that they can comply with this policy, without undue financial burden, while still meeting the welfare law’s work requirements. Of course, if states place welfare recipients in private jobs, then the minimum wage already applies. And we are working to minimize costs associated with the application of employment laws to workfare participants.

- We are counting not only cash assistance, but also food stamps, toward the minimum wage. That means that every state but one (Mississippi) can provide most beneficiaries with 20 hours per week of work (the current work requirement) without increasing assistance payments.
- In addition, the Labor Department will engage in extensive consultations with states on how to apply the FLSA and other laws with the least disruption. For example, states may wish to consult with the Labor Department on whether they can structure workfare programs so that some recipients fall within the FLSA’s exception for “trainees.”
- The Treasury Department is still exploring how FICA, FUTA, and the EITC apply to welfare recipients in workfare programs. We hope to be able to give states an answer to that question very shortly. And if necessary, we will support a narrow legislative fix exempting workfare participants from these tax laws. In fact, we made that offer to the Republicans during this week’s budget negotiations, but they turned it down.

Q&A

Question: Won't this end welfare reform as we know it by making work more expensive?

Answer: Not at all. With both TANF and food stamps counting toward the minimum wage, every state except Mississippi will be able to give welfare recipients workfare slots for 20 hours each week (the welfare law's current work requirement) without raising their benefit levels. And of course states should be trying to place welfare recipients in private sector jobs where the minimum wage already applies.

Question: Are most welfare recipients who are working going to be considered "employees"?

Answer: Most welfare recipients participating in the work activities described in the new welfare law probably will count as "employees," entitled to the minimum wage, under the FLSA. But some individuals, engaged in such activities as job search, vocational education, and secondary school, may count as "trainees" instead. The Labor Department will advise states on how the FLSA applies to particular programs and individuals engaged in them.

Question: What's the difference between a trainee and a worker under FLSA?

Answer: An individual is in training if:

- Training is similar to that given in a vocational school;
- Training is for the benefit of the trainee;
- Trainees do not displace regular workers;
- The employer derives no immediate advantage from the trainees' activities;
- Trainees are not entitled to a job after training is completed; or
- The employer and trainee understand that the trainee is not paid.

Question: Can Food Stamps count as wages?

Answer: We believe that through waivers or other mechanisms such as the Simplified Food Program option now in law, states will be able to count food stamps toward the minimum wage for all those required to work under the new welfare law.

Question: Does this mean welfare recipients in workfare and other subsidized employment programs can unionize?

Answer: No -- that is a different question entirely. Whether and when workers can unionize is a function of the National Labor Relations Act. The National Labor Relations Board, an independent entity that administers that Act, has not ruled on the unionization question.

Question: Would the Administration support or oppose legislation to exempt welfare recipients from the minimum wage laws?

Answer: We would oppose legislation that flat-out exempts welfare recipients from the minimum wage law. The Administration believes that people who work should be paid at least the minimum wage.

Question: Would you oppose any legislation addressing this issue?

Answer: Not necessarily, but any legislation would have to be consistent with our support for the minimum wage. In determining how the minimum wage law applies to workfare, the Administration has had to address a host of technical issues that Congress did not deal with in passing the welfare law. If Congress wants to address these issues, the Administration will consider the proposals carefully. But any legislation must reflect the Administration's position that people who work should be paid at least the minimum wage.

Question: Do you support treating payments to workfare participants as wages for FICA and EITC purposes?

Answer: No. We have opposed such treatment for many years. The Treasury Department is still considering how the tax laws apply to payments made to working welfare recipients. If the Department finds that under current law, these payments are subject to FICA and/or qualify for the EITC, we would support legislation reversing that outcome.

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Question: Would the Administration support or oppose legislation to exempt welfare recipients from the minimum wage laws?

Answer: We would oppose legislation that flat-out exempts welfare recipients from the minimum wage law. The Administration believes that people who work should be paid at least the minimum wage.

Question: Would you oppose any legislation addressing this issue?

Answer: Not necessarily, but any legislation would have to be consistent with our support for the minimum wage. In determining how the minimum wage law applies to workfare, the Administration has had to address a host of technical issues that Congress did not deal with in passing the welfare law. If Congress wants to address these issues, the Administration will consider the proposals carefully. But any legislation must reflect the Administration's position that people who work should be paid at least the minimum wage.

Question: Do you support treating payments to workfare participants as wages for FICA and EITC purposes?

Answer: No. We have opposed such treatment for many years. The Treasury Department is still considering how the tax laws apply to payments made to working welfare recipients. If the Department finds that under current law, these payments are subject to FICA and/or qualify for the EITC, we would support legislation reversing that outcome.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:28-JUL-1997 08:11:05.00

SUBJECT: some women

TO: Todd Stern (CN=Todd Stern/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

toni morrison (much better than maya angelou, I think)

mary mcgrory (my favorite of these three)

barbara tuchman

I'm really fond of my c vann woodward suggestion.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:31-JUL-1997 11:19:49.00

SUBJECT: ANGUS KING Farewell Party

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Unable to convert ARMS_EXT:[MESSAGE.D79]MAIL49091411S.216

The following is a HEX dump of the file:

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. email	Elena Kagan to Laura Emmett. Subject: real parties don't happen at 3:00pm. (2 pages)	07/31/1997	Personal Misfile

COLLECTION:

Clinton Presidential Records
Automated Records Management System [Email]
WHO ([From Elena Kagan])
OA/Box Number: 500000

FOLDER TITLE:

[07/10/1997 - 08/07/1997]

2009-1006-F
wr10

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:31-JUL-1997 19:58:33.00

SUBJECT: Re: Moving

TO: Robert W. Schroeder (CN=Robert W. Schroeder/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

of course; just let me know what's convenient.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 1-AUG-1997 17:55:52.00

SUBJECT: MTV Diversity Poll & Conference Call

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 08/01/97 05:55 PM -----

Michelle Crisci

08/01/97 04:57:22 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: MTV Diversity Poll & Conference Call

MTV would like to discuss thier new poll on diversity with the White House next week:

Geoff Garin has arranged for a conference call between Sylvia Matthew's office and MTV's people on Tuesday at 1:30 PM, if that time works for everyone.

In addition, Sylvia would like to hold a meeting on Monday, time TBD, to prepare for Tuesday's call.

Please let June Gayle or me know if you'll be able to attend the Tuesday call. Thanks.

Message Sent

To:

Elena Kagan/OPD/EOP

Maria Echaveste/WHO/EOP

Cheryl D. Mills/WHO/EOP

Minyon Moore/WHO/EOP

Marjorie Tarmey/WHO/EOP

Edward F. Hughes/WHO/EOP

Angelique Pirozzi/WHO/EOP

Sylvia M. Mathews/WHO/EOP

June G. Turner/WHO/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 2-AUG-1997 12:58:07.00

SUBJECT:

TO: Phillip Caplan (CN=Phillip Caplan/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

here it is. ===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D83]MAIL42686431F.216 to ASCII,
The following is a HEX DUMP:

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August 2, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health -- Budget Bill: We are very pleased with the health provisions in the budget agreement, especially the children's health package. After your statement at the NGA about the importance of a strong benefits package, we were able to secure a provision requiring States to choose from one of four packages: (1) the FEHBP model; (2) the benefits package of the most popular state HMO; (3) the state employee plan; and (4) the actuarial equivalent of any of the above three packages, provided it offers the same or better benefits for vision, hearing, mental health, and prescription drugs. In the overwhelming majority of states, this provision will ensure that children receive a strong package of benefits, including vision, hearing, mental health, and prescription drug services. During final negotiations, we also succeeded in inserting several provisions that give further assurance that states will use the new funds to cover uninsured children, rather than to supplant existing funding. In the days following the agreement, newspapers quoted (among others) the General Counsel of the Children's Defense Fund as saying that the initiative will do "extraordinary good for millions of children" and the President of the American Academy of Pediatrics as saying that the package represented an "extraordinary commitment" to children's health care. We are now working on an implementation strategy to encourage and assist states to use the new investment to cover as many uninsured children as possible.

2. Health -- Diabetes Announcement: You are scheduled to announce on Friday -- probably with Speaker Gingrich -- new investments in the budget relating to diabetes. These investments include: \$150 million over five years for Type I diabetes research (most common in children); \$150 million for diabetes prevention, treatment, and research in the Native American population (the diabetes rate among Native Americans is nearly 3 times the national rate); and a new Medicare benefit for diabetes prevention. The American Diabetes Association (ADA) has said that this new package of investments is the most significant development for diabetes since insulin was discovered in the 1920s. You are also scheduled to announce a new collaborative effort between HCFA, ADA, and the National Committee on Quality Assurance to develop new standards of care for diabetes. Diabetes experts believe that this collaborative effort will help to improve care significantly for diabetics.

3. Health -- Medicare Fraud: We are preparing for the release next week of new initiatives responding to the recent finding that the Medicare program lost \$23 billion last year due to overpayments, fraud, and abuse. We hope to be able to announce that HCFA is immediately halting

payments to providers identified in the report as committing fraud and that HCFA is undertaking comprehensive audits of providers identified as potentially defrauding the government. We also will announce a new quarterly report by HHS and DOJ on all fines, decertifications, and ongoing investigations of fraud and a new award for state and local governments and other organizations that have made outstanding efforts to eliminate fraud and abuse. Last, but most important, we suggest that when you sign the budget bill into law, you highlight the significant anti-fraud provisions that it contains.

4. Welfare -- Budget Bill: The final welfare provisions of the budget bill prompted a front-page New York Times headline declaring "In Budget Bill, President Wins Welfare Battle." First, the bill guarantees Medicaid and SSI benefits to legal immigrants on the rolls in August 1996 and to legal immigrants residing in the U.S. on that date who have since become -- or in the future become -- disabled. Second, the bill includes a \$3 billion welfare-to-work program, which has all the critical components of our original proposal: it establishes DOL as the administering agency; routes formula money through Private Industry Councils, thereby giving mayors effective control over its distribution; contains a fairly sizable competitive grant fund; allows the funds to be spent on a wide range of programs; targets funds to the hardest-to-place welfare recipients; and contains string anti-displacement provisions. Third, the bill contains a good welfare-to-work tax credit, which gives companies that hire long-term recipients a credit for 35% of wages up to \$10,000 for the first year and 50% for the second year.

Fourth, the bill continues Medicaid coverage for children who will lose SSI under the new definition of childhood disability contained in the welfare law. Fifth, we successfully thwarted Republican attempts to exempt workfare recipients from the FLSA and other worker protection laws (though we did agree to a provision that benefits received by working welfare recipients would not qualify as wages for purposes of the EITC in exchange for improvements to the child tax credit). Sixth, we avoided any provision allowing privatization of Medicaid and Food Stamp operations after Governor Bush rejected our compromise offer for Texas to run a substate demonstration covering up to 50% of recipients.

The best analysis of the welfare provisions may come from usually devoted supporters of the Republican Party. Robert Rector of the Heritage Institute told the Washington Post that "the Republicans appear to have capitulated on almost every welfare issue." And Michael Tanner of the Cato Institute told the New York Times that "the President got everything he wanted and then some."

The Republicans have made clear that they intend to return to the issue of how worker protection laws apply to welfare recipients, perhaps on the Labor-HHS appropriations bill. In final budget discussions, we indicated some willingness to exempt workfare recipients from FICA and FUTA, and we can offer that compromise again in a future battle. We also may not have seen the last of the privatization issue; House Republicans were upset at Governor Bush for declining the compromise we had offered, and they may take another run at getting some state (perhaps Wisconsin) a demonstration project. While awaiting these battles, we will work closely with DOL on getting the new welfare-to-work program up and running.

5. Welfare -- Proposed High Performance Bonus: You asked last week whether we like the formula HHS has proposed to distribute the welfare law's \$1 billion performance bonus fund. The short answer is that we do. The proposal, which HHS developed after extensive consultations with the NGA and APWA, would reward states based on whether welfare recipients are getting jobs, how long they keep those jobs, and whether their earnings increase from year to year. The proposal also takes account of success in the critically important task of reducing teen births. States have raised two concerns about the proposal. First, a few state welfare officials -- led by Wisconsin -- have insisted that a simple formula based on caseload reduction is preferable, because it gives welfare caseworkers a clear goal that they can work towards. But a formula of this kind would not look at what happens to people after they leave welfare, thus making no distinction between states that prepare people for self-sufficiency and states that simply remove them from the rolls. In addition, a number of states have complained about HHS's proposal to use unemployment insurance records, instead of welfare agency records, to measure performance in employment, job retention, and earnings progression. HHS is convinced, however, that the unemployment insurance data, which employers themselves provide, will be more objective and more accurate.

6. Education -- National Testing Initiative: Rep. Goodling intends to offer an amendment to the Labor-HHS appropriations bill in September that would prohibit the Education Department from spending any FY 1998 funds on the development or administration of national tests. We thought the vote would be held last week and worked hard to mobilize supporters of the testing initiative -- including the AFT, NEA, Business Roundtable, National Alliance of Businesses, Chief State School Officers, and Council of Great City Schools -- to contact members. But if the vote had been held last week, we might well have lost. While Democratic support was generally strong (with the exception of the Hispanic Caucus, discussed below), we would have held very few Republican votes. Even Rep. Riggs and Rep. Livingston, who originally were inclined to oppose the Goodling amendment, shifted their position later in the week, in part because of strong pressure from right wing groups, home schoolers, Lynn Cheney, and others.

The Hispanic Caucus has suggested that it might vote en bloc with Mr. Goodling. Members of the caucus object to our current intent to provide the 4th grade reading test only in English. They have asked the Department of Education to create a Spanish language version of the test that students with limited English proficiency could take instead. We are continuing to consult with members of the Caucus and are exploring ways of addressing their concerns, while maintaining our position that students should be expected to read in English.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. email	Elena Kagan to Todd Stern. Subject: twofer. (1 page)	08/02/1997	P6/b(6)

COLLECTION:

Clinton Presidential Records
Automated Records Management System [Email]
WHO ([From Elena Kagan])
OA/Box Number: 500000

FOLDER TITLE:

[07/10/1997 - 08/07/1997]

2009-1006-F

wr10

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 2-AUG-1997 18:12:43.00

SUBJECT: Re: SSI

TO: Sylvia M. Mathews (CN=Sylvia M. Mathews/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP [OPD])

READ:UNKNOWN

TEXT:

Stein has some ideas that seem very reasonable about informing families losing SSI of their appeal rights, providing them with information on pro bono representation, allowing more good cause exceptions to appeals deadlines, etc. These should clearly be things that come from SSA rather than the White House; I would be reluctant to tell Stein even that we have asked SSA to look into them. But in fact, we have asked the key folks at SSA to take a hard look at these suggestions and to let us know what they think of them. In all honesty, we are unlikely to make real progress on these matters until Ken Apfel gets to SSA -- but Apfel will be great on issues like this.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 2-AUG-1997 18:23:06.00

SUBJECT: Re: Abortion Memo

TO: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

did you ever do your piece of this? or did you give it up as too stupid?

Tracey E. Thornton
07/07/97 10:43:01 AM
Record Type: Record

To: Elena Kagan/OPD/EOP
CC:
Subject: Re: Abortion Memo

nope, i don't have anything from robin and my piece is just going to be legislative status. you were supposed to write about what we can do on other women-related issues outside of abortion to move the debate.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 2-AUG-1997 19:26:55.00

SUBJECT: Re: Race policy meeting with agency folks

TO: Katherine Hubbard (CN=Katherine Hubbard/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

If you mean with the full set of agency contact people, no. But we've started meeting in particular issue areas with the agency people who know those areas. It might be helpful to do a full meeting with the agency contacts so they know everything we're up to (including with people in their own agencies). What do you and Goody think?

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005. email	Elena Kagan to Minyon Moore and Cheryl D. Mills. Subject: dpc slot [partial] (1 page)	08/03/1997	P6/b(6)

COLLECTION:

Clinton Presidential Records
Automated Records Management System [Email]
WHO ([From Elena Kagan])
OA/Box Number: 500000

FOLDER TITLE:

[07/10/1997 - 08/07/1997]

2009-1006-F

wt10

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 3-AUG-1997 15:08:55.00

SUBJECT: dpc slot

[005]

TO: Minyon Moore (CN=Minyon Moore/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Cheryl D. Mills (CN=Cheryl D. Mills/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

Another reminder: could you give me some names for an special assistant slot? Portfolio is negotiable, but is likely to include a fair bit of work on the race initiative.

Portfolio

FOIA(b)(8)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 4-AUG-1997 14:41:57.00

SUBJECT: Re: contraceptive bill

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ: UNKNOWN

TEXT:

set up a meeting.

----- Forwarded by Elena Kagan/OPD/EOP on 08/04/97 02:44 PM -----

Jennifer L. Klein

08/04/97 02:33:18 PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Christopher C. Jennings/OPD/EOP

cc:

Subject: Re: contraceptive bill

I think we should all talk. As Chris knows, this was supposed to be one of the issues discussed in our women's health meeting -- which Kevin Thurm is avoiding like the plague. Let's just go ahead without them.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 5-AUG-1997 18:07:38.00

SUBJECT: Re: Reply to member of Congress on Domestic Violence

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

CC: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:

it would be unpleasant. hilley wanted us to do such a meeting (at least
according to janet). it's great that the rule gives us an excuse.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 6-AUG-1997 12:01:00.00

SUBJECT: Re: VP message events...

TO: Eli G. Attie (CN=Eli G. Attie/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

call bill kincaid on both. thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 7-AUG-1997 11:34:29.00

SUBJECT: Re: welfare interview

TO: Barry J. Toiv (CN=Barry J. Toiv/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

sure. i talked with her for her last welfare piece just before the nga
speech, but i'll try to think of something new to say.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
006. email	Elena Kagan to Robert W. Schroeder. Subject: Re: Your car. (1 page)	08/07/1997	Personal Misfile

COLLECTION:

Clinton Presidential Records
Automated Records Management System [Email]
WHO ([From Elena Kagan])
OA/Box Number: 500000

FOLDER TITLE:

[07/10/1997 - 08/07/1997]

2009-1006-F
wr10

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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RR. Document will be reviewed upon request.

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- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]